

## Message Text

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70

ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 RSC-01 /018 W

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R 081152Z FEB 75

FM AMEMBASSY KUWAIT

TO JOHN J. MCMULLEN ASSOCIATES

ONE WORLD TRADE CENTER, SUITE 3047

NEW YRK, NEW YORK 10048 ATTN: PAT CINA

INFO SECSTATE WASHDC 2178

USDOC WASHDC

UNCLAS KUWAIT 0625

E.O. 11652: N/A

TAGS: EGEN, BEXP, KU

SUBJECT: KUWAIT DRYDOCK MANAGEMENT AND TRAINING CONTRACT

REF: (A) KUWAIT 2434 (6/11/74) (B) KUWAIT 1493 (4/17/74)

1. REGRET INFORM YOU EMBOFF HAS LEARNED KUWAIT SHIP REPAIR AND DRYDOCK CO. (KSRDC) HAS ELIMINATED YOUR FIRM AND SEVERAL OTHERS FROM FURTHER CONSIDERATION FOR MANAGEMENT AND TRAINING CONTRACT NARROWING FIELD TO ONE BELGIAN AND ONE WEST GERMAN FIRM. FINAL DECISION IS EXPECTED IN ABOUT A WEEK TO TEN DAYS. LEADING KSRDC OFFICIAL CLAIMED YOUR FEE TOO HIGH IN COMPARISON WITH EUROPEANS WHO WILLING ACCEPT FROM \$100,000 TO \$170,000 PER YEAR IN MANAGEMENT FEES WHILE OFFICIAL CLAIMED YOU ASKING \$960,000. WHEN NEGOTIATIONS TO SUCCEED, AND IN ANY CASE KSRDC HAD INVESTED CONSIDERABLE TIME IN SELECTING FINAL TWO CANDIDATES AND DID NOT WISH TO DELAY DECISION FURTHER.

2. UNDER CIRCUMSTANCES SEE LITTLE FURTHER THAT CAN BE DONE. EMBASSY GREATLY APPRECIATES YOUR EFFORT AND HOPES FIRM WILL CONTINUE TO ACTIVELY PURSUE PROJECTS IN THIS AREA. OTHER MAJOR WORK BEING PLANNED IS EXPANSION SHUWEIKH PORT FROM 21 TO 42 BERTHS (BELIEVE DUTCH FIRM ALREADY DOING PRELIMINARY PLANNING FOR KUWAIT GOVERNMENT ON THIS ONE) AND EXPANSION OF INDUSTRIAL PORT OF SHUAIBA TO ACCOMMODATE ADDITIONAL PRODUCT TANKERS FOR TRANSPORT OUTPUT NEWLY PLANNED REFINERIES. MOREOVER, EVERY SHIP-

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PING COMPANY IN KUWAIT CONTINUES TO ACTIVELY EXPAND THEIR FLEETS

WITH FULL SUPPORT OF GOK WHICH RECENTLY BOUGHT 49 PERCENT  
KUWAIT OIL TANKERS CO. (KOTC) AND HAS FORMED A 60-40 JOINT-  
VENTURE WITH KOTC TO OPERATE LPG TANKERS.  
STOLTZFUS

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## Message Attributes

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